

SPECIAL WORK SESSION MEETING

CRANSTON SCHOOL COMMITTEE

MAY 9, 2011

WESTERN HILLS MIDDLE SCHOOL

400 PHENIX AVENUE

EXECUTIVE SESSION 5:00 P.M.

IMMEDIATELY FOLLOWED BY PUBLIC WORK SESSION

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MINUTES

This special work session meeting of the Cranston School Committee was held on the evening of the above date at Western Hills Middle School with the following members present: Chairperson Iannazzi, Mr. Lombardi, Mrs. Ruggieri, Mr. Traficante, Mrs. Culhane. At 5:20 p.m. Mrs. McFarland arrived. At 5:40 p.m. Mr. Bloom arrived.

This meeting was called to order at 5:07 p.m. It was moved by Mr. Traficante and seconded by Mr. Lombardi unanimously carried that the members adjourn to Executive Session pursuant to RI State Laws PL 42-46-5(a)(1) Personnel; PL 42-46-5(a)(2) Collective Bargaining and Litigation (Contract Negotiations' Update-Bus Drivers/Trades People/Mechanics, Custodians); (Teacher Negotiations; Teacher Assistants/Technical Assistants/Bus Aides Negotiations), (Secretary Negotiations), (School Banner), (Transportation Contract),(Volunteer

Policy).

Call to Order – Public Session – Public Session was called to order at 7:38 p.m. The Pledge of Allegiance was conducted and the roll was called. A quorum was present. No votes were taken in Executive Session.

Executive Session Minutes Sealed – May 9, 2011. A motion to seal these minutes was made by Mr. Traficante and seconded by Mr. Lombardi. The roll was called; all were in favor.

Public Hearing

a. Students (Agenda/Non-agenda Matters) – There were no student speakers.

b. Members of the Public (Agenda Matters Only)

Lizbeth Larkin, CTA President

Ms. Larkin spoke on behalf of not privatizing bus transportation. (Speech on record).

At 7:40 p.m. Ms. Iannazzi stated – because of my father's employment I am recusing from the conversation about privatization again at this meeting so I will be turning over the Chair to Mr. Lombardi.

Mr. Lombardi asked for the next speaker.

Aram Garabedian, 173 Belvedere Drive

Mr. Garabedian spoke on behalf of not privatizing bus transportation. He further stated - in 1966 I was chairman of school bus transportation and took it very seriously, studied about buses, studied about transportation routes. I came to the conclusion that if this city takes the right approach there is no reason why they have to privatize. As a former member of the City Council we went through an extensive review of our mechanics and our own city and after a great deal of data and study I came to the conclusion that it was best not to privatize. Find a way to make it work without disbanding a bus service that has gone on for many years and generally successfully.

Arthur Jordan, Union President, Local 1322

Mr. Jordan spoke on behalf of not privatizing bus transportation and stated – as you have looked at the RFP and we have gone through this process I think there is something that you really need to look at and consider. There are three bidders that bid on option one. The low bidder was First Student; the second bidder without one concession was your current school bus drivers. The third was Dattco and they were \$800,000 more expensive than what you currently have. So if First Student didn't have what you consider to be good services or the prices went up, what would you be left with for option two? You have dismantled your current transportation system, gotten rid of your buses and you would be left with option three which was \$800,000 more than your paying right now without one concession.

That's what we need to consider. If this doesn't work, what are you left with? What other decision will we have to make for the taxpayers? It doesn't look good to me, that's your other option and think about how could that have happen? How can there be such a disparity between two private industry companies and that's the question you need to ask.

1. Consent Agenda/Consent Calendar

a. Presentation by Bus Transportation Company

Mr. Lombardi asked anyone that is going to be speaking, to identify themselves for the record.

Chip Johnson, Director of Business Development for First Student passed out a handout so we could follow along with the Power Point presentation (see handout attached for the record). At this point in the meeting the Power Point presentation commenced. Mr. Johnson asked that questions be held until the end of the presentation. Jim Castelli, Senior Vice President, New England; D'Anna Soehnge, Area Director, Human Resources, and Bill Roche, Region Operations Manager, Rhode Island was also in attendance from First Student.

Questions:

Mrs. Ruggieri asked – regarding the staff that you are proposing, what are the total management costs for the managers, the two dispatchers, the router that would be in place for the second year,

and the safety coordinator?

Mr. Johnson stated – I don't have that information off the top of my head.

Mr. Lombardi asked – can I just piggyback off of that question? In the RFP, under the area entitled Management, the RFP lists as management one full time supervisor and I presume that is the manager you referred to in your presentation. I am looking at page 13 of your RFP. Let's make it easier, I'll go backwards. The presentation that we just had listed a manager, two dispatchers, a router in the second year, maintenance staff and a safety coordinator; am I missing it in the RFP under Management Staff on page 13, it says one full time supervisor and one full time dispatcher and then something called sufficient mechanic staff. Is the RFP accurate or is the...

Mr. Johnson stated – our proposal is accurate based on what we showed here. The minimum requirement was in the RFP and we felt that was not properly adequate to properly run the service for Cranston.

Mr. Lombardi stated – so the RFP will be supplemented by this presentation.

Mr. Johnson stated – yes.

Mr. Lombardi asked – do you know if this adds any costs to your bid?

Mr. Johnson stated – no. That was included in the bid.

Mrs. Ruggieri stated – now I am going to go back. If it was not included in the original RFP and it's an adjustment that was made how could it not add a cost?

Mr. Johnson stated – we bid on what we felt was the appropriate headcount for management staff which exceeded the two that were specified in the RFP. But the personnel that we showed are included in the bid prices that are already on the table.

Mrs. Ruggieri stated – regarding benefits. The unemployment benefits – the employees can collect or do collect?

Mr. Johnson stated – they do collect.

Mrs. Ruggieri asked – where is that cost kind of eaten up? Is that your cost or ...where does that come into play?

Mr. Johnson stated – I believe it is an insurance program that is state run. Our premium costs are in the bid, in the prices that you have and all the drivers are entitled to receive that benefit.

Mrs. Ruggieri stated – and they all do receive that benefit currently?

Mr. Johnson stated – no, they don't receive it currently as public employees.

Mrs. Ruggieri stated – okay, the contracts that you have now that are already in place in those 19 other cities, you have people who are currently able and do collect unemployment benefits during this time?

Mr. Johnson replied – yes they do. It is a payroll deduction called the SUTA tax and it is not only funded by the employee but the company itself.

Mrs. Ruggieri stated – so it is an additional something that comes out of their paycheck and then a portion of it is given back to them in unemployment.

Jim Castelli, Senior Vice President for First Student stated – the SUTA

(State Unemployment Tax) is paid by the employer. It doesn't come from the employee's paycheck. It is part of what the employer pays to the State of Rhode Island to cover that unemployment tax.

Mrs. Culhane asked – you talked about employee longevity in metro Providence. I am wondering what your numbers are company-wide for First Student, throughout the entire corporation. What are your retention rates insofar as longevity of employees or what does your longevity look like for the majority of your employees?

Mr. Johnson stated – I don't know. Is Metro Providence similar to most locations, areas?

Mr. Castelli stated – that's the area that we did the research on current seniority lists and broke the hire dates down.

Mrs. Culhane stated – but I don't know that with each of these towns that are listed; I'm not sure each one has had a contract with First Student so that sort of might set your numbers off a little bit, that's the only reason that I asked. I was just looking for something representative of the company.

Mr. Castelli stated – Providence is the largest one and prior to First Student Ryder has been there forever. Providence was an acquisition in 1986 Bob Doorley had owned the company at that point so First Student has been there since 1987.

Clarification – it was United Truck and Bus that was running Providence, it was purchased by Ryder Student Transportation. Ryder Student Transportation was bought by First Student. There have been continuous operations by the same management staff. My

office has been there since the last 80's.

Mrs. McFarland asked – regarding your premiums. What are charged to the employees? What we received from you, I guess a follow-up shows the breakdown of what the employee would expect to pay out of pocket if they actually had to utilize any of these services. However, it does not describe what the cost of the insurance would be for the co-share amount, the percentage or is it free?

Mr. Johnson stated – the handout you were given, I believe is the non-union and it is generic.

Mrs. McFarland stated – right, so for premium 25, premium 10, premium 5 what would be the cost to the employee out of pocket for the co-share not the co-pay?

Mr. Roche stated – that would vary because of negotiations.

Mrs. McFarland stated – okay so that would be afterwards and that is not part of the contract right now?

Mr. Johnson stated – we have projected costs for employee benefits in our bid so whatever ends up getting negotiated does not change the quoted price.

Mr. Lombardi stated – respectfully I am a little confused. Mr. Roche just said no and you just said something different.

Mr. Johnson stated – I believe what Mr. Roche said was that employer/employee split would be negotiated as part of the collective bargaining process. What I am saying is that whatever the result of that negotiation is, the price that you have in our bid packet does not change.

Mrs. McFarland asked – so what would they be paying based upon the bid package. What did you submit?

Mr. Johnson stated – we estimated certain percentages of participation and I don't have that information right at my fingertips.

It was asked if anyone else had it; the breakdown. No one had it.

Mrs. McFarland stated – so we don't even know if the employee was going to take the highest, the best, what that cost would be.

Mr. Johnson stated – that is negotiated.

Mrs. McFarland stated – I guess my colleague asked for some information and your presentation this evening spelled out for us some of the investments that you were going to make and when I looked at your breakdown they are not the same so you indicated that we were going to have 28 mini buses in today presentation of 2012 models. However, your cost analysis that was provided to us from Joe (Balducci) this evening shows 2011 mini buses, 23 of them at \$58,000 apiece. Then we go on that you say that we're going to get 11 mini buses from our current fleet, however, you indicate that we're going to get 8 plus 3 passenger mini buses 2011, 5 of those at \$60,000. Then we have a breakdown of the remaining buses, not being 49, not being 2006 or older than that but 2008 with 45 of them and 71 being passenger buses for a total of \$3.8, almost \$3.9 million. However, you're going to invest only \$3.5 now so you have reduced it to \$3.5 and based upon that the city of Cranston gets \$300,000, the city-side gets \$300,000. The School Department get zero and you are making less of an investment than your RFP indicated. Could you explain that?

Mr. Johnson stated – there are a couple of things, the 2011's when this was bid back in December that would be considered a new model year bus. At this point in time a new year model bus is 2012. We put in the initial bid specs 2008 buses which was our goal, we have found out subsequently that there are some real shortages in used buses so to give us a little bit of leeway we say no older than 2006. Those buses are not specifically identified and whatever it is we can find on the open market that meets our needs that's what we'll do. The \$3.5 million dollars is an estimate at this point in time as was the \$3.8.

Mrs. McFarland stated – with all due respect, I've done RFP's for a long, long time in my career. Not only here in the city of Cranston but also in my business career. I have never seen so many changes however you feel like making them whenever you feel like making them. We cannot make any proper decisions based upon that. It makes no sense to me whatsoever. You can't decide that you want to pick an orange when you've already given us an apple. You just can't do that, it's just improper really. The whole thing should be thrown out. So based upon...I have one last question and it comes to regards to, I have read through your manual that you gave me for your national employee handbook and while you address all of the employee concerns my last concern would be, what do you monitor and who makes decisions on behalf of our children? What if our children...what if there is behavior that is inappropriate? There is not one slide that you presented this evening, not one piece of documentation that lets me know that as a parent that my child is going to be protected and watched over. You're watching your

employees, you're making sure they are doing everything that they are supposed to do in sleep check but if children are not acting appropriately on a bus, what policy or procedure as I asked last time, what do you have in place to protect our children?

Mr. Johnson stated – part of the driver training process and I believe there is language on that in the safety section of our initial proposal talks about behavior management, all that kind of focus that the camera is used to protect the students as well so that's an important part of all of our training.

Mrs. McFarland stated – I think you are missing the point. Who makes the decision of a child who acts up? Who notifies the parent? Who reprimands them? Who makes the decision? Who ultimately makes that decision, is it the School Department's responsibility? Do you show us the pictures and say, here you take care of it? Do you make the decision? Do you call the parents? How do you handle that?

Mr. Johnson stated – the primary person in charge of the bus is the bus driver.

Mr. Castelli stated – it's going to vary from community to community. There are certain communities that absolutely do not want the drivers involved, they just simply want a report of the children sent to the principal, the building principal then handles it. But it varies from place to place. We do have facilities where the driver actually disciplines in conjunction with dealing with the building principal and the students as they arise. There is also an entire program put out in terms of training for the drivers which is done in conjunction with the school department or the district so we follow in line with what the

district expects and we will talk about such things as, if it's a disruptive student, if it is a repeated disruptive student how it should be handled and reported. It all starts with the driver but absolutely has to have the building administrator play a part in it. How it works varies from community to community.

Mrs. McFarland stated – but again, even this evening, right now, between your two presentations you have an apple and you have an orange and I don't know which one is accurate or correct.

Mr. Castelli stated – if you go to the various communities that we service within Rhode Island the manner in which we handle the students in those communities is based off of what the school department wants, not how we proceed or what we want to do.

Mr. Bloom asked – Mr. Votto, in terms of the last work session, there seems to be some confusion here in terms of what the Cranston policies are and what the First Student policies are. I would really like to see...and I take exception to some of the tone here. The objective here is to try to find out what the facts are so we can make a decision and we had the same situation on the last meeting. Can we get a memo with your review of the First Student Safety and Employee Policies compared to the Cranston Public School Policies so it is unequivocal as to what is being discussed here? Can we have that within a couple of days?

Mr. Votto responded – certainly.

Mr. Bloom asked – Paula will that address some of the questions you are addressing right now....Mr. Lombardi injected – guys, I'm not

going to have a dialogue....

Mr. Bloom stated – excuse me, through the chair, First Student here has come to make a presentation and we're trying to ascertain what the facts are so we can make a decision for next week. We received in our package two weeks ago the First Student Employee Handbook and our own policies. Have these been compared? I'm not aware of anything that is any different between the two and if anything...

Mr. Votto stated – first of all there is nothing different when it comes to drug testing, alcohol, all of that is geared through federal and state regulation so we match it that way. You can ask Mr. Nero but we have had discussions regarding student discipline, how we were going to handle it and the district's viewpoint and if I am wrong he will tell me is going to be up to the responsibility of the district and the principal and the superintendent's office or the assistant superintendent's office. That's the policy we are going to use and in the draft of the contract, I think it is 17.1 it addresses how we are going to handle discipline. I think they state in it it is the ultimate responsibility and authority to suspend or expel any pupil from transportation services shall rest with the district. We are going to follow our current transportation policy.

Mr. Bloom stated – so in other words the policy and procedures that are in place today with the current bus drivers would be exactly the same under a contract with First Student, is that correct?

Mr. Votto stated – if that's the case.

Mr. Nero stated – our policy could be written for any bus company, ours or anybody else's. It is the ultimate goal of the educators to

discipline kids.

Mr. Bloom stated – okay but the question earlier is what happens if there is a discipline problem on a bus and so is the policy in place right now that we currently have for the Cranston Public Schools, would it be the same under the contract that is being contemplated.

Mr. Nero stated – I don't see why it would be any different. If there were a discipline issue on the bus and the bus was approaching the school the driver would call Joel (Zisseron), Joel would contact the principal of the school and the principal would meet the bus at the school.

Mr. Bloom stated – is this something that would have to be negotiated under a contract or is this is our agreement in place and the only issues...

Mr. Johnson stated – we were given copies of both the Bullying and Intimidation Policies and the Regulations for Transporting School Children and School Bus Contract and we would abide by those policies.

Mr. Lombardi stated – respectfully, and I just want to add a comment and let my lawyer come out a little bit, since they are not going to be our employees I think most definitely there has to be a negotiable aspect to it because we're taking...we're getting input from a non-employee and we're asking a Cranston administrator to discipline based on the conduct of a non-Cranston Public Schools' employee. So you need to negotiate that.

Mr. Bloom stated – I'm sorry, correct me if I am wrong, we were talking about discipline issues with the kids so what does that have

to do with...

Mr. Lombardi stated – because when it is on the bus the ultimate person responsible, I just heard this gentleman say, the ultimate person responsible is the bus driver, who is not an employee potentially...

Mr. Bloom stated – but the policy procedure that that person would be held accountable to would be identical am I correct?

Mr. Lombardi stated – except for the employee/employer relationship.

Mr. Bloom stated – yes, understood but the policy would be the same.

Mr. Votto stated – again, I call your attention to section 17 where it says the ultimate responsibility of the authority for this discipline would be with the district. So it would be our district policy.

Mr. Bloom stated – the policy is the same, the difference is that the employee of the district we would have a relationship specifically with them and if it was through First Student or another company then the policy would be in place but if there were to be an issue with disciplining that bus driver it would be within the responsibility of First Student to take that action and then letting us know how it was handled.

Mr. Votto stated – Yes.

Mrs. Culhane asked – about the technology and the cameras. How often is that information reviewed and who exactly is reviewing it. Is it somebody at your corporate headquarters? Is it somebody in our district and how often is that reviewed.

Mr. Castelli stated – it would be a requirement first off to make sure the district has a set policy in terms of how that gets viewed and who sees it. Typically once a district establishes a policy it is usually the principal, it could be a parent of a child that acted up and gets brought in and from our standpoint it is usually the manager or safety person or possibly a dispatcher depending upon the need at that particular time. It's not reviewed or shared with anyone in our corporate offices.

Mrs. Culhane asked – but is there a process by which the tapes are randomly reviewed or are they only as a need basis?

Mr. Castelli stated – typically it may be as a need-basis. It is a hard drive system. The old systems have VCR video tapes in them. They have done away with that, they have turned it into a computer hard drive. It is stored on the computer and it has a limited amount of space so it may be a two to three week period in which if something occurs it may be brought up and reviewed at that particular point.

Mrs. Ruggieri stated – to kind of piggy back on that whole process, so there is no policy written right now and who reviews these, who are allowed to review these, there is nothing formally in place?

Mr. Castelli stated – it varies from community to community. What we end up doing is dovetailing off of whatever community has the video camera so there may be a set way where one community wants to handle something we will follow that as we go forward.

Mrs. Ruggieri stated – but for this community we are looking at contracts and things like that. It is not currently anywhere in a policy

listed how this is going to proceed.

Mr. Castelli stated – because you don't have them.

Mrs. Ruggieri stated – moving forward with you shouldn't this be somewhere already so we could review so we could make adjustments we need to adjust for our language?

Mr. Castelli stated – there are some what I would call boiler plate that you change your information; there are some that exist. We can share those with you if that is what you are looking for.

Mrs. Ruggieri stated – well, I mean....

Mr. Votto stated – Mr. Chair if I may interrupt. What we would have to do as we would do with any of our policies, would be to draft a policy because we do not have cameras on our buses, we don't have a policy in place because we don't have cameras on the busses. Draft the policy, introduce it at a work session and you folks would have the hearings and the readings and then it would obviously be incorporated into the way we handle our discipline.

Mrs. Ruggieri stated – I understand that is how the process would work if we move forward but in making these decisions we are under the assumption that if we're going with this group that we are having cameras and these are things that need to be addressed because this is going to be one of those things again that will come up in negotiations with the bus drivers and...

Mr. Votto stated – well, I think once you have to make the decision obviously to go with cameras in the buses then you write the policy. You're asking us to write a policy now that there is no need for one. We don't have cameras in any of the buses. So, I believe if you decide

to privatize then we would introduce a policy and if you don't we don't need to do that. You can create the policy after the effect because once the buses are in then you will have the camera and be able to deal with it.

Mr. Bloom asked – if there were concerns with having cameras in the buses to begin with could the installation of those cameras be delayed until a policy was in place?

Mr. Johnson stated – yes, or you put them in and don't use them, don't turn them on.

Mr. Bloom stated – so we would have time to come to a policy decision that is acceptable to the School Committee?

Mr. Johnson stated – absolutely.

Mrs. Culhane asked – my question is in relation to the fleet and I see here on the sheet that there are certain buses are actually delineated with certain types and then there are some that say to be announced. My question is what is your commitment to getting these buses to us so what kind of time frame are we looking at because I did hear you say something about you have to see what is available on the market and so I don't know what the bus market looks like but what is your commitment to getting these buses to us insofar as a timeframe?

Mr. Johnson stated – we mentioned this two weeks ago, that for the new buses that deadline has basically passed so that should a decision be made and a contract signed we would immediately order those new buses but they would not be in place for the start of school, we would run existing vehicles until the new buses came in.

On the full size buses that we originally bid at 2008's the minute a contract is signed we would go in to the open market, see what's available, find the best thing that would match Cranston's needs and buy them. But for startup time is short.

Mrs. Culhane stated – I guess my concern is that, you know I have done my reading and I know you can't trust everything you read on the internet but there are certain contracts that you hold where a year at least in one that I have read has passed and they haven't even gotten half of their fleet yet. So I'm just wondering how difficult is the market to be able to get these buses in order for you to fulfill your promise to us for the RFP. Do you anticipate...say for the ones that are 2011 because like you said that ship has sailed but for the others do you anticipate that taking a long amount of time or can you not determine that?

Mr. Johnson stated –it's hard to say but what we would do is look at them, see what is available in the market, there are some major used bus distributors, there are vehicles coming off lease and we would find what matched best the requirements. It's hard to know until you look.

Mrs. Culhane stated – but there is nothing in the RFP that gives a commitment to what kind of timeframe we are looking at, correct?

Mr. Johnson replied – no.

Mr. Bloom stated – just to follow up on that. If the buses were delivered late could we incorporate some type of penalties in that? Is that open for discussion?

Mr. Johnson replied – anything is open for discussion.

Mr. Castelli stated – I would just simply state that part of what we are waiting for is a decision by the board. That's the issue. If the board were to make a decision tonight that would put us in a better light in terms of getting the vehicles purchased and ready to go. That's really all we are waiting on.

Mr. Lombardi stated – Mr. Castelli let me clarify. The board will not be making a decision tonight; this is just a work session.

Mr. Castelli stated – I understand that. What we are waiting for is a commitment one way or another. Once that commitment is made then we can start the process.

Mr. Bloom asked – what is the status...there were some issues that were open-ended in terms of the contract itself. Is Ron here? Do we know what the status is for finalizing anything that was open on the contract?

Mr. Cascione stated – As far as the final version of the contract, there has been discussion about changes to the boiler plate, you will have a final version for the meeting, if there is a vote at a meeting so you will have it, the latest by then if not a couple of days before then.

Mr. Bloom asked – Can we get that for Wednesday?

Mr. Cascione stated – before this week is over you will have it.

Mr. Lombardi stated – everyone is aware that the previously scheduled meeting for Monday, May 16 is now Wednesday, May 18th. There is no meeting on the 16th regarding this issue.

Mr. Bloom asked – the maintenance facility. One is going to be

located on Plainfield Pike, that is a new lease am I correct?

Mr. Johnson replied – yes, it is an extension of an existing lease.

Mr. Bloom asked – is that being used to service anything else right now.

Mr. Johnson replied – no.

Mr. Bloom asked – so if this does not go forward the lease there is going to expire?

Mr. Johnson stated – the extension for the larger property would just not get signed.

Mr. Bloom asked – any idea of the amount of property taxes you will be paying on that particular facility to the city of Cranston?

Mr. Johnson replied – more than I want to pay.

Mr. Bloom asked for an estimated number.

Mr. Johnson stated he would comply.

Mr. Bloom asked – the other facility is at Park View and the other one is in Warwick. Will you be hiring anymore people to do maintenance at that facility to support our contract?

Mr. Johnson stated – well the maintenance was going to be in the Warwick facility and we would have adequate mechanics.

Mr. Bloom stated – I noticed here, it was the slide First Student investments, three years contract, more than \$300,000 in property taxes. Am I correct – the contract was for five years? It's three plus two and our option to renew. Okay, what would be the taxes paid in four and five? Mr. Johnson stated he would get that.

Mr. Bloom asked – Ray (Votto) would there be...we don't have cameras on the buses right now. Can you comment at all what the

advantage or disadvantage of having cameras on the bus would be?

Mr. Votto stated – I think I would leave that to the educators in terms of the students themselves but I would believe from a Human Resource perspective it would track what the employees are doing and how they are addressing the situations on a bus. For instance, we had issues with kids sometimes on the smaller buses, special needs buses, who have a bus driver and bus aide and the child has acted up and obviously had a need to be addressed in terms of restraint and hands-on and that would capture how the child was acting and so forth. So it could protect our personnel and at the same time it is also a check and balance on a person.

Mr. Bloom asked – have we had any liability issues for anything that has happened on a bus for discipline, behavior...

Mr. Votto stated – well, I can tell you from a perspective of our personnel that they have been I would say physically harmed who during a point in a bus drive. They have a child has had what we would call a meltdown and has struck some of our employees and quite honestly today I was in Workers' Comp court because of that particular issue. So to be able to capture those items as well and to be able to address a parent if that is the case. Again, I won't speak for the student perspective but from an employee perspective obviously people think it's like big brother is watching them but more importantly I think it is protecting them I think to see how they handle student situations.

Mr. Johnson stated – one of the nice things about the cameras is it eliminates the he said, she said scenario. The two students have a

disagreement and tell different stories to mom and dad, what's on the camera is what happened.

Mr. Lombardi stated – I would be remiss if I didn't show the courtesy, Council President Lupino is here and we welcome you Mr. President.

Mr. Bloom asked – How long are those records retained?

Mr. Johnson stated – In the case of an actual incident that needs to be tracked – forever.

Mr. Roche stated – it is downloaded to a flash drive and it is typically sent to the district who will then review it and it is kept on the flash drive.

Mr. Bloom asked – if it was an incident. If there is no incident how long is that data retained?

Mr. Castelli stated – it depends on the settings of the cameras in terms of how clear; the more pixels that are used the more memory is required. If it has more pixels then it is a shorter storage time.

Mr. Bloom asked – do you have a policy in place for retention.

Mr. Castelli stated – the normal situation is when the hard drive fills up with whatever setting it is, it goes back to the beginning and erases and re-records so that if there is a particular incident that has been brought to light, we pull that segment out, save it on the flash drive but if there is no comments or issues then we are okay with re-recording over the hard drive. There is no policy.

Mr. Bloom asked – do you have any idea on the average? What is that, 60 days, 90 days, 120 days?

Mr. Castelli stated – again, the normal would be about two weeks.

Mr. Lombardi asked – as you may or may not know the City Council has passed a resolution asking us to look into and study the cost effects of privatizing vis-à-vis keeping our own fleet and utilizing perhaps a five year study or a ten year study. You've indicated you are in 19 communities in the state of Rhode Island. Trying to compare as levelly as possible, comparing apples to apples here, so if you could pick a major district where you've been in the district more than two years, three years, four years, you've been there a while, is there such a district in Rhode Island where you have been there say more than four years, what district might that be?

Mr. Roche stated – Providence, Warwick, Jamestown.

Mr. Lombardi stated – let's use Warwick. If the City Council were here asking you to give a cost analysis regarding what would be your findings to the City Council in terms of your ability to maintain a savings level over that period of time. Do you understand the question?

Mr. Roche stated – I understand the question. I guess it would be difficult to give you an answer without taking a look at each individual contract and what the term of that contract was vs. the cost of per bus was.

Mr. Lombardi stated – let me try and do this. Let's assume, hypothetically, Cranston and Warwick is usually 2 and 3 ranking wise in terms of student population. Unfortunately we have always complained about the fact that Warwick has about \$40 million dollars

more in their budget then we do even though we service the same amount of kids but let's assume you were to superimpose that Warwick type contract upon the Cranston fleet and the City Council President Lupino would stand up here and ask to show him the long range savings, the expectations vs. the actual savings. What would your response be to him?

Mr. Castelli stated – well, the costs are fixed. There is an allocation over the term of the contract and you would know what the cost would be over the length of the contract. Any RFP's that comes out actually ask for annualization of costs so that would be annualized for each year of the contract which if I am not mistaken is annualized in this as well. You could actually see that.

Mr. Lombardi stated – okay, but following up on that, would your response let's say after six or seven years, to a Council President and I don't mean to put you on the spot Mr. President but you're the only one here; would your response be, hey look, we're doing this great and hitting our numbers and we're doing just fine and look at the wonderful things we are doing in the district for you in terms of savings, or would you say, we haven't been able to meet those expectations? We did so in the short term but over the last three or four years things have been a little tough for us.

Mr. Roche stated – I think you could look at it by contract by contract because in some areas our costs have gone up and the cost per bus has gone up and in other contracts we've come down. Quite recently we've had a couple of contract where we've done, 8, 10, 13% and actually taken our rates back.

Mr. Lombardi stated – and I don't mean to make this sound like a cross-examination, I'm just trying to elicit from you the answer that I am looking for. Let's put Warwick back on the table because Warwick is the closest thing to Cranston that we have.

Mr. Roche stated – our rates have actually gone down in Warwick over the last five years.

Mr. Lombardi stated – well, let me follow that up because I just heard the Council President say that you don't operate all the buses in Warwick. How many buses percentage wise do you operate in Warwick?

Mr. Castelli stated – we operate approximately 78 of the large buses. We don't operate the small buses yet. The school department did go through a similar process that you are going through right now. They have now put out an RFP. We were the successful low bidder there and right now they are tied up legally going through some issues.

Mr. Lombardi asked – when were you awarded that bid in Warwick? How long have you been in Warwick?

Mr. Castelli stated – same answer; at least the late 80's with regards to the Ryder, First Student scenario.

Mr. Bloom asked – can you prepare an analysis for us for Warwick in terms of what the contracts were for the last twenty years? The changes in the rates. One of the issues that we have to grapple with is what's going to happen after the contract expires and we would like to have some history, if you could do the same thing for Providence and another district that is similar, Coventry.

Mr. Roche stated – I would be lying to you if I told you I could go back twenty years but I can go back as far as I can.

Mr. Lombardi stated – the reason for my concern is the Council, while people have said it is merely a resolution, it certainly a message from the Council and they are asking for a ten year study. As our due diligence we owe that to the City Council to be able to answer those types of questions.

Mr. Bloom stated – if Coventry doesn't fit, if you could get 3-5 communities similar to Cranston that could give us some idea of what the trend has been with the rates.

Mr. Castelli stated – I guess I would just quickly state that with all of our contracts we have similar terms, 3 years plus 2 option years or possibly a five year extension. At the end of those terms the district will write specifications with what they want similar to what you have done here it will go out to bid. There is an open market that doesn't allow us to just price anything we want to price so we do have competitors and as you take a look at some of those prices there are some that have gone up and some that have gone down. It is reflective of the open market in terms of what is going on.

Mr. Bloom stated – I am sure you will give us ones that have gone up and ones that have gone down so it looks like a reasonable assessment.

Mrs. Ruggieri stated – Westerly was obviously a smaller community then we are but they recently were undergoing the same process with First Student that we are now and they ultimately decided to retain

their in-house services. Do you know what the deciding factors were that made them determine not to go with you? Was there a major thing they said or we think we could do much better?

Mr. Johnson stated – I am not sure what the major factor was and Westerly has done this every couple of years going back quite some time. We were the low bid this time, Dattco was the low bidder a couple of years prior on a potential conversion and I am not sure how serious they have ever been but I don't know what the actual rationale was.

Mrs. Ruggieri asked – how far away were you from them in their figures.

Mr. Johnson stated – we were the only bidder and it's always a bit of a challenge to get a true full cost for a district run operation because the transportation line item in the budget is not always inclusive so it's a bit of a gray area.

Mrs. Ruggieri asked – ballpark.

Mr. Johnston stated – it was two years ago I would have to go back and look.

Mrs. Ruggieri asked – if at all possible could you do that?

Mr. Lombardi stated – I think I heard Mr. Castelli say in terms of the costs and bidding on this project. I am just wondering that is in my mind and the question I keep asking myself is in this case we had the benefits of three bids, exclusive of keeping our own transportation group. Those three bids were separated by a significant sum of money. Joe if you can help me, I think one was \$5.9; the others were

like at \$8 million. (\$8 million being the highest bidder). So that is 33% higher and I just ask this question but what am I missing. How can you come in 33% lower than the next bidder?

Mr. Castelli stated – there are probably a few things and I can't speak as to how my competitors bid or what they figure in. The first thing is the size of our operation in Rhode Island. We have 19 locations and I am not sure what Dattco has, maybe one or two. Also the purchasing power that Dattco has. It's a good run company I am not going to disparity them. I call them a Connecticut, Rhode Island and maybe Massachusetts company so from a purchasing standpoint they have the ability to buy buses, they are a dealer. But because of our size we have some purchasing power with vehicles and parts that we are able to pass on.

At 8:48 p.m. the presentation from First Student was completed.

Speakers

Aram Garabedian stated – I think it is very important in business to evaluate or search the past record of a company in performance and their company is so large I am sure there are places in the country where they may falter but I have just put in the company name and what pops up is something that I don't know if the people here...only about 11 months ago there is a report that is easily accessible in one of these I-Pads and the bottom line is I would urge you to look at it and I am sure they have answers and why they are here they might

attempt to answer some of them but in Cincinnati which has about 3,500 students there was a big battle there and the School Committee voted 4 to 3 to hire them and while they have been there they have been fined \$28,000 by the local schools for not doing their jobs in seven areas based on their contract and they've also been fined \$50,000 in Dayton for inadequate state record keeping. As I read the article I said to myself I would say that the numbers they put on which they promised you and how much they would do for the city, new buses, in this particular city, they argued over the fact that what they said they didn't do and it involved millions of dollars of new buses and all I can tell you is this. You got to read this about this company and I know in a company their size they might do well in 8 cities and do badly in 1 or 20 but I would ask you and while they're here they may have information on this. If they don't have information I would ask them to forward it to you for review and specifically I know when the RFP goes out there is certain information you ask them, court cases, but any information you can get on a track record because what people say they are going to do in business, you're best to look at the record and the background. The best measure is past performance.

Council President Lupino stated – thank you for the opportunity to speak. I apologize I was at another meeting so I didn't hear a good deal of the presentation but when I first heard about the presentation and the bids it brought to mind a couple of scenarios from the recent past. The first being around 2002 I believe it was. Andrea Iannazzi had

put forward a resolution which I voted against which talked about consolidation between Warwick and Cranston Public Schools. I voted against it because I thought that a lot of the procedures they were looking at we were already cooperating with or doing with the state. However, I did manage to get on the committee and the first meeting that we had in the Briggs Building was with Warwick. Warwick came down; it was Bob Shapiro and one of their business people. About the second question Mr. Shapiro asked was how can we get our buses back? That was seven years ago and again they were operating their large buses with First Student and small buses with the City of Warwick. Just prior to that Mr. Stykos was very prominent in trying to get a free breakfast program in Cranston. He had done that in conjunction with the Wiley Center and it was something that was going to be done in Rhode Island. Get free breakfast for kids that come to school hungry. We were able to accomplish that; Warwick was not. Their free breakfast program was going to cost \$50.00 per week per child. Why you say? Because they had the bus contract and the buses would have to rearrange their schedule and their contract so thus the cost would be \$50.00 per child. A more recent occurrence, we are still trying to do some consolidation with Warwick and I am on a committee that is talking to Warwick and I don't remember his name but....Mr. Ferrucci is from Coventry. He is now the head of business for Warwick Public Schools. He had just moved over from Coventry and I believe Coventry has First Student. His comment was, don't privatize your busses. That was in front of other council people; there were other members of the public at that meeting. The rhetorical

answer to the other question is this, how can First Student be at \$6 million and someone else at \$8? Because they are larger and they can stand to go for the short dollar for a couple of years but I can guarantee you that in five years you are going to be looking at \$8 million dollars. The very last thing you have to understand is this, Mr. Zisseron has told us this for years, its common knowledge that if you sell your fleet you're not going to go out and buy buses in three years if you can't afford the tally but there's not a lot of competition out there. You put out how many RFP's and you got 3. How many in the current situation, economy and the cost of all of these operation and fuel, how many competitors do you think are out there? And, if you've got a big spread right now I can guarantee in three years when you have to go back out it going to be very costly. Very lastly, if you've got questions now wait three years you'll be sorry you did this.

Arthur Jordan, 35 Lincoln Park Avenue

Mr. Jordan stated – when you sign a contract with your current employees as you had many years before we find ourselves in this situation you will know all the terms and conditions before you sign. We won't sign and negotiate later. I have Dave Kiley from Ward Fisher that's the accountant that worked with us. He has some concessions that we've made if you want to ask him any questions he's open to answer the questions. We will be ready to put on a presentation on the 18th as you have given us the time for but he is here if you would like to see the concessions.

Mr. Lombardi stated – I would prefer, if you don't mind, if we could be given that to Mr. Balducci in advance of the 18th and then you can make your presentation then. I am a little uncomfortable negotiating a contract on the floor of a School Committee meeting.

Dave Kiley, Ward Fisher Company

Mr. Kiley stated – all the numbers have been presented to Joe and we haven't made any changes. We're just here in case you have any questions.

Mr. Bloom stated – just one last question because we have to make a financial decision. At this point in time I haven't seen any projections in terms of replacement of the fleet which would have to be financed by the city so could we get those numbers pulled together in the investment decision we have to make for this privatization decision.

Additional Speakers

Robert Pelland, 211 Mohawk Trail

Mr. Pelland stated – I have a question for this gentlemen, he was saying how they are going to make an easy transition with the same faces for the parents with the same drivers and monitors then he went on to say he has twenty drivers being trained right now and projects twenty more ready come June he will have forty drivers ready. What do you need forty drivers for if you are going to make it

an easy transition for these drivers? And then on top of that, last meeting you told these people to be prepared; they came here with all these big-wigs, and they still don't have all your answers. They have nineteen other districts and they can't answer your questions. Now you are giving them time to go back and write you a dream. Whatever you are asking them for they are going to go back and write you a beautiful story of what you want. All they are doing is selling you a dream.

Liz Larkin, CTA President

I just have one quick question. We have school employees that will be riding the buses, the nurses and I wonder how they would deal with our employees that are on their buses and they spend a lot of time on those buses.

Mr. Votto stated – just as they do now. The nurses get picked up; they are on the bus with the child; and ride the bus in the morning to get the child to school and they ride the bus in the afternoon to deliver this child home. Our nurses will continue to do that no matter what we do.

Mr. Johnson stated – I would agree, that's what we do elsewhere.

Shelly Moore, 27 Sherman Avenue

I have a question as a parent and as a driver, what will happen because children are very unpredictable, if one of our children misses the bus as they frequently do? Who do the parents call and your tracking us with the red line, are we allowed to go back and get those

students as we frequently do now?

Mr. Roche stated – it's like any other bus operation. Typically the parent would call into the dispatch area; the dispatch would contact the driver. If the driver wasn't too far out of the area they would be asked to go back. If they were 20 minutes or a half hour into their run it's obviously discretionary at that point. They would have a local phone number to call; instead of calling Joel's office or somewhere else they would call into our operations and be given an answer depending on where the driver was at that point.

Jennifer Donahay, 161 Blackamore Avenue

My question is this is for-profit company. Obviously they are the lowest bidder, where are they going to make up their money? It is in field trips? Sports? Our sports are already fragile enough as it is; if we didn't have the influx from the Laborers' Union we wouldn't have high school sports right now if they are going to charge us more for these kids and these field trips how is this going to work? Just remember they are a for-profit company.

Valerie Bernardo, 103 Elwyn Street

My first question is in regards to maintenance with the buses. If we were to breakdown on the bus in Cranston and the maintenance facility is in Warwick how long is it going to take to get somebody to Cranston to service us when we're broken down with seventy kids behind us.

Mr. Roche stated – the facility we are proposing right now is right on

Jefferson Blvd. and it's very close to the highway. We have also multiple maintenance facilities throughout the state so it's not just within the city of Cranston and it would cover other districts if you were doing a field trip in another town.

Ms. Bernardo stated – the other questions I have are in regards to routing the bus runs. It said a Montana company routes the buses.

Mr. Lombardi stated that will be in the second year.

Mr. Roche stated – that is for support only. It would be a local router within the operation. Our sister company is First Planning Solutions they are based out of Montana but they actually assist the local people with the routing.

Ms. Bernardo stated – in regards to what they were saying about Warwick not renewing the contract and they are in some legal negotiations. Keep in mind Warwick sold their buses and their hands are tied. They have nothing, they can't get their buses back and we have to think about our kids and what's best for the city and privatizing is not best for the kids.

Mr. Bloom asked for clarification and stated – Joel what happens if a bus breaks down? How fast can you service things here?

Mr. Zisseron stated – we come out of Fletcher Avenue but I would say on average, if we have a bus broken down in Edgewood and we've got to come from Fletcher Avenue, I would say anywhere from 10-12 minutes, anything on the western side is obviously going to be a lot quicker.

There being no further speakers Mr. Lombardi passed the Chair back to Ms. Iannazzi.

Ms. Iannazzi stated – our next meeting as Mr. Lombardi mentioned earlier is May 18. A motion to adjourn was made by Mr. Lombardi and seconded by Mrs. Culhane. All were in favor.

The meeting adjourned at 9:10 p.m.

Respectfully submitted,

**Frank S. Lombardi
Clerk**